

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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OCT 14 2004

INDIANA UTILITY
REGULATORY COMMISSION
CAUSE NO. 38708-FAC 64

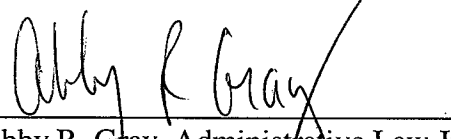
PETITION OF SOUTHERN INDIANA GAS AND)
ELECTRIC COMPANY D/B/A VECTREN ENERGY)
DELIVERY OF INDIANA, INC. ("VECTREN)
SOUTH") FOR APPROVAL OF A CHANGE IN ITS)
FUEL COST CHARGE FOR ELECTRIC SERVICE)
IN ACCORDANCE WITH THE ORDER OF THE)
COMMISSION IN CAUSE NO. 37712 EFFECTIVE)
JUNE 18, 1986 AND SENATE BILL NO. 529)
EFFECTIVE APRIL 11, 1979)

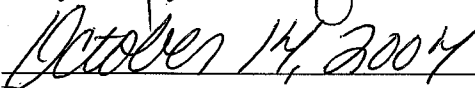
On September 10, 2004, Petitioner, Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. ("Vectren South") filed its Petition with the Commission. The evidentiary hearing is scheduled for 1:30 p.m. on Monday, October 18, 2004 in Room E-306 of the Indiana Government Center South, Indianapolis, Indiana.

The presiding officer now finds that Petitioner should file answers to the following questions by the time of the evidentiary hearing:

1. Petitioner witness Scott E. Albertson, on page 2 lines 31-34 and on page 3 lines 1-5, discusses a pricing model error that over-allocated \$1,352,568 of fuel expense to Petitioner's retail customers during the period July 2003 through May 2004. Please provide a detailed explanation, beyond the testimony of Mr. Albertson, of how this error was found. Did the Petitioner look at months prior to July 2003 to ensure the same error was not present before this time? If the error was not present before July 2003, what changed in July 2003 to initiate the error? What safeguards has Petitioner implemented to ensure such an error does not occur in the future?
2. Excluding the \$1,352,568 adjustment to correct the over-allocation mistake in the May 2004 reconciliation leads to an actual retail fuel cost of 21.349 mills/KWh. Petitioner's forecast fuel cost for May 2004 is 16.877 mills/KWh, which is 20.95% less than the actual retail fuel cost. Please provide detailed explanation for the relatively large fuel cost variance experienced in May 2004.

IT IS SO ORDERED.


Abby R. Gray, Administrative Law Judge


Date